

SECRET

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7



Nº 135

CIA/RR EM 64-30

October 1964

INTELLIGENCE MEMORANDUM

NORTH VIETNAM: ECONOMIC DISAPPOINTMENTS

1963-64

DIRECTORATE OF INTELLIGENCE
Office of Research and Reports

GROUP 1
Excluded from automatic
downgrading and
declassification

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7

SECRET

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

CONTENTS

| | <u>Page</u> |
|--|-------------|
| Summary and Conclusions | 1 |
| I. Economic Plans and Policies | 3 |
| II. Agriculture | 4 |
| A. Background of the Food Problem | 4 |
| B. Causes of Agricultural Difficulties | 5 |
| C. Plans to Speed Up Agricultural Production | 6 |
| D. Outlook for the 1964 Crop | 7 |
| III. Industry and Transportation | 7 |
| A. Failure to Meet Industrial Plans | 7 |
| B. Poor Quality of Industrial Products | 8 |
| C. Transportation | 8 |
| IV. Construction | 9 |
| V. Foreign Economic Relations | 10 |
| A. Foreign Trade | 10 |
| B. Economic Aid | 10 |

Appendices

| | |
|--|----|
| Appendix A. Statistical Tables | 13 |
| | |

Tables

| | |
|---|----|
| 1. North Vietnam: Output of Major Agricultural Products, 1957-62 and 1965 Plan | 15 |
| 2. North Vietnam: Per Capita Production of Food Crops, 1957-63 and 1965 Plan | 16 |
| 3. North Vietnam: Output of Selected Industrial Products, 1957-63 and 1965 Plan | 17 |

| | <u>Page</u> |
|---|-------------|
| 4. North Vietnam: Foreign Trade, 1957-63 and 1965 Plan . . . | 18 |
| 5. North Vietnam: Economic Assistance Extended by Communist Countries, Cumulative Totals, 1955-63 | 19 |

NORTH VIETNAM: ECONOMIC DISAPPOINTMENTS*
1963-64

Summary and Conclusions

The performance of the North Vietnamese economy in 1963 was far below the plans and expectations of the Communist regime. In agriculture, poor harvests reduced food crops** by about 15 percent compared with 1962, and per capita production of food crops was the smallest since 1957. The gross value of industrial production increased by 6.5 percent compared with the planned figure of 15 percent, consumer industries being the most laggard. In construction the overall level of activity is estimated to have fallen by about 10 percent, although work on major projects continued with no apparent letup. Exports increased by 3.7 percent and imports by 4.7 percent compared with planned increases of 19 percent and 12 percent, respectively.

For the first 6 months of 1964 the levels of industrial production, construction activity, and exports remained generally below the expectations of the regime. Prospects for agriculture in 1964, however, seem to be better inasmuch as the 1964 spring harvest is reported to have been well above the poor harvest of 1963. Nevertheless, the larger part of the annual food crop is yet to be harvested. In industry and construction the long-term problems remain of building up a skilled labor force, raising standards of quality, and reducing bureaucratic ineptness. North Vietnam cannot as yet live free of subsidy from other Communist countries, and the Sino-Soviet rift may jeopardize the extent of the subsidy from the USSR. These economic problems -- most particularly in agriculture -- mean that North Vietnam will have difficulty in fulfilling even the reduced goals of its First Five Year Plan (1961-65).***

* The estimates and conclusions in this memorandum represent the best judgment of this Office as of 15 August 1964. Unless otherwise indicated, data are official North Vietnamese statistics and contain the usual biases of Communist economic data. These biases in most instances fall short of gross exaggeration and are taken into account in reaching the conclusions in the memorandum.

** The food crops discussed in this memorandum include only rice, corn, sweet potatoes, and manioc (a starchy root used in making tapioca).

*** For a brief description of the economic achievements and shortcomings of North Vietnam in 1962, see source 1/. (For serially numbered source references, see Appendix B.)

I. Economic Plans and Policies

Poor harvests and serious managerial shortcomings in North Vietnam during 1961-63 caused the pace of both agricultural and industrial development to fall far short of the expectations of the regime. Recognizing that many of the targets developed in 1960 for the First Five Year Plan (1961-65) could not be achieved, the regime announced in May 1963 a reduction of its goals.^{2/} The revised plans called for agricultural and industrial production to increase 37 percent and 119 percent, respectively, by 1965 compared with 1960, whereas the original plan projected increases of 61 percent for agriculture and 148 percent for industry. Under the revised plan, production of food crops is to be 7.1 million tons* by the end of 1965 compared with the original goal of 9.5 million tons. The new target for production of rice is 5 million tons, far below the previous goal of 7 million tons. Industrial targets also were reduced, including goals for production of iron and steel, electric power, apatite, chromite, cement, and paper. Planned domestic investment for the 5-year period was lowered from nearly US \$1,380 million to about US \$1,050 million.**

Although North Vietnamese planners have been forced to modify their goals for the First Five Year Plan, they have not abandoned their drive for the rapid industrialization of the country, particularly in heavy industry.*** Investment in industry, scheduled to average 48 percent of total investment during the First Five Year Plan, increased from 45 percent in 1962 to 48 percent in 1963.^{3/} The absolute level of industrial investment, however, actually decreased from nearly US \$90 million to about US \$87 million.[†] Eighty percent of all industrial investment is to go to heavy industry during 1961-65, a goal that is higher than the average of 75 percent actually invested in heavy industry during 1961-62.

Agriculture was to receive 21 percent of the total investment during the First Five Year Plan. Investment in agriculture in 1963 reportedly was 23 percent of the total, the same as in 1962, although the absolute amount declined. The regime plans to increase agriculture's share to 25 percent in 1964^{5/} in an attempt to overcome the present lag in agricultural production.

* Tonnages are given in metric tons throughout this memorandum.

** Value figures are based on current dong converted into US dollars at the rate of 3.7 dong to US \$1.

*** Heavy industries receiving special emphasis during the First Five Year Plan are the machine building, chemical, electric power, and metallurgical industries.

† The total domestic investment in all sectors of the economy in North Vietnam reportedly fell from almost US \$200 million in 1962 to about US \$180 million in 1963.^{4/}

Three-fourths of North Vietnam's gross national product (GNP), estimated at roughly US \$1.3 billion (in 1959 prices) in 1963, has been used to support the population of 17 million at near subsistence levels, and the average North Vietnamese cannot expect much improvement in his living conditions during the remaining 2 years of the First Five Year Plan. Investment in services (including housing, education, and public health) has steadily decreased from about 18 percent of total investment in 1961 to less than 14 percent in 1963.^{6/} The regime also is giving a smaller share of total investment to consumer goods industries during 1961-65 than in previous years.

II. Agriculture

A. Background of the Food Problem

The tight food situation that persisted in North Vietnam during 1961-62 was seriously aggravated by an extremely poor harvest in 1963. The gross value of agricultural production is estimated to have fallen by about 5 percent in 1963 compared with a planned increase of 5.5 percent. Production of food crops reportedly was about 4.9 million tons,^{7/} a level well below the mediocre harvest of 5.7 million tons claimed for 1962. Although no figures for output of individual crops have been released, production of rice (which accounts for about 80 to 85 percent of the total production of food crops) declined from 4.5 million tons in 1962 to an estimated 4.0 million tons in 1963.* Total production of subsidiary food crops in 1963 almost certainly fell below the 1.2 million tons reportedly produced in 1962. Per capita production of food crops is estimated to have dropped in 1963 to its lowest level since 1957. In addition to that of food crops, production of important commercial crops, including sugar cane, cotton, and jute, was reported officially to have fallen "far below" the 1963 planned targets.**

With the poor harvests of the last 3 years, procurement and distribution of food have become a serious problem in North Vietnam. In the fall of 1963 the regime was forced to raise farm procurement prices substantially, in some cases as high as 50 percent, in an attempt to increase the procurement of agricultural products from the peasants. The regime acknowledges that the amount of food it was able to purchase from the peasants in past years was generally lower than the amount needed. Furthermore, the regime concedes that it has been unable to maintain strict control over the distribution of food and that black market activities have flourished. The flow of food to the black market has increased in part because of the illegal registration of individuals to obtain rationed food and because of the exaggerated reporting of work accomplished in order to receive additional food. Procurement and distribution of food have become such a problem that in May 1964 the

* The goal for production of rice in 1964 is set at 4.6 million tons.^{8/}

** For output of major agricultural products and per capita production of food crops, see Tables 1 and 2, Appendix A.

Director for Food Administration in North Vietnam suggested that the regime may tighten its food procurement and distribution practices.

B. Causes of Agricultural Difficulties

The major causes of agricultural failures in North Vietnam during 1961-63 have been adverse weather, mismanagement, and the lack of fertilizers and insecticides. The regime has claimed that unfavorable weather, including prolonged droughts in some areas and floods and excess moisture in other areas, has been the primary reason for the mediocrity of the harvests. According to Hanoi, the most severe and extensive floods in North Vietnam since the country has been under Communist rule occurred in 1963. The regime claimed that nearly 560,000 acres of spring crops, equivalent to about one-fourth of the spring rice crop, were affected by drought, and more than 630,000 acres of autumn crops, equivalent to about one-fifth of the autumn rice crop, were hit by floods. 9/

Another important cause of agricultural failures in North Vietnam has been mismanagement. For example, during the drought early in 1963, authorities in a number of localities were charged with administrative and leadership failures as a result of having "fallen into passivity when the drought dragged on seriously." 10/ Late plantings and shortages of rice seedlings in 1963 can be attributed in part to mismanagement. Frequent references in the North Vietnamese press to problems of cooperative management indicate that the regime still is having considerable difficulty in overcoming peasant indifference to collectivization. The regime has admitted that managerial shortcomings have permitted the peasants to concentrate their energy on private plots to the detriment of the cooperative sector. Legally, only 5 percent of the cultivated land of a cooperative is to be reserved for the private use of the cooperative members. A recent investigation of 175 cooperatives in Phu Tho Province, however, revealed that more than 20 percent of the total cultivated land of the cooperatives was being used for private purposes. 11/ Mismanagement in at least two provinces in North Vietnam -- Lang Son and Thai Nguyen -- has resulted in the closing of some agricultural cooperatives and a drop in the participation of the farming population in other cooperatives. Early in 1963 the regime reported that about 88 percent of 2.9 million peasant households were organized into nearly 30,000 agricultural cooperatives and farmed about three-fourths of all cultivated land. Because of both continued mismanagement and poor performance of agriculture in the last half of 1963, more and more peasants withdrew from the cooperatives. By June 1964 the percentage of families in cooperatives reportedly had dropped to about 80 percent; another official statement in July indicated that the percentage had fallen to only about 85 percent. 12/

A third cause of agricultural failures in North Vietnam is the lack of fertilizer and insecticides. Because chemical fertilizer is

available only in small quantities, the regime has concentrated on the intensive use of organic fertilizer, primarily of animal origin. The goals for the application of fertilizer in 1963 reportedly were not met, a shortfall that has been blamed in part for the decrease in crop yields in 1963. A decision by the government to undertake a program designed to increase the numbers of livestock and thereby increase the supply of organic fertilizer has been hampered by shortages of feed and by extensive slaughtering of animals because of food shortages in the countryside. The lack of pesticides and fungicides has made it difficult to fight insects and plant diseases, both of which are responsible for substantial reductions in crop yields. An official publication reported in 1963 that 15 to 20 percent of all agricultural crops, including 600,000 to 700,000 tons of rice, are lost annually because of plant diseases and damage from insects. 13/

C. Plans to Speed Up Agricultural Production

The regime hopes to overcome the current lag in agricultural production by increasing the amount of investment allocated to agriculture and by improving the management of agricultural cooperatives. Part of the increased investment to agriculture will be used for a new 2-year water conservation program (1964-65) designed to expand the amount of irrigated acreage. The regime admits, however, that the program had been poorly administered up to June 1964 and that there is inadequate coordination of plans between the central and local levels. In addition to the water conservation program, a 3-year campaign (1963-65) has been launched to strengthen state control over the cooperatives and to improve cooperative management; the regime hopes that this campaign will halt the movement of peasants away from the cooperatives. The North Vietnamese also have initiated a campaign to plant rice, subsidiary food crops, or vegetables on all cultivable land that has not been farmed previously. To encourage increases in productivity, the regime plans to award capital and consumer goods to cooperatives achieving certain prescribed yields.

The North Vietnamese hope, furthermore, to increase agricultural production by developing the mountain areas of the interior. Spokesmen for the regime have asserted that the mountain areas have a considerable potential for agricultural expansion, particularly in developing grasslands for livestock and in expanding the cultivation of dry-field crops. Compared with production of food in the delta regions, however, the potential for production of food on mountain lands is small. As part of the program to develop the mountain areas, the regime planned to resettle about 300,000 farm workers and 700,000 dependents in these areas during 1961-65. The State Bank of Vietnam loaned more than 20 million dong during 1961-63, of which 12 million was given in 1963, to help settle about 300,000 people from the delta areas in the mountain areas. 14/ The regime, however, is encountering increasing opposition both from the minority groups who live in the mountains and from the migrants.

D. Outlook for the 1964 Crop

North Vietnam's 1964 spring harvest probably was well above the poor harvest of 1963, primarily because of relatively favorable winter and spring moisture conditions. The regime claims that the total production of spring food crops is the highest ever attained, even surpassing the peak production of 1959. 15/ The spring rice crop (normally about one-third of the annual rice crop) is claimed to have exceeded the 1959 bumper crop and to be 18.2 percent greater than the 1963 spring crop. In addition, production of subsidiary food crops, about 80 percent of which are harvested in the spring, is reported to be above average. Sweet potatoes are said to have achieved the highest level of production in any year under the Communist regime, increasing 20 percent above the 1963 spring crop. Production of corn is claimed to have exceeded the production target for 1964 by 2.3 percent. Production of vegetables and nonfood crops, however, fell below expectations. Furthermore, a large number of buffaloes and oxen died in the winter of 1963/64 because of feed shortages and diseases. The regime has acknowledged that these losses have cut down draft power for the planting of fall crops in 1964.

A successful spring harvest in 1964, which is implied in the preliminary figures released by the regime, would have the immediate effect of relieving the tight food situation in North Vietnam. The larger part of the annual food crop, however, is harvested in the autumn, and only a bumper crop for the whole year would permit the regime to reduce imports of grain and begin to replenish stocks.

III. Industry and Transportation

A. Failure to Meet Industrial Plans

Industrial production in North Vietnam in 1963 fell short of the plan, particularly for the consumer goods industries, because of serious managerial shortcomings and the lack of agricultural raw materials. The regime claimed that the gross value of industrial production increased only 6.5 percent in 1963, well below the planned increase of about 15 percent. Little information on production of specific industrial commodities has been released.* The value of production of the centrally operated state industry reportedly fulfilled the plan and increased 9.9 percent in 1963. However, the value of handicraft production, which produces mainly consumer goods, failed to meet the plan and increased only 2.1 percent in 1963. 16/

One of the hardest hit industries in North Vietnam in 1963 was the textile industry, which accounts for about one-fourth of the total value of industrial production (including handicrafts). Production of cotton textiles dominates the industry, and North Vietnam imports at

* For production of industrial products, see Table 3, Appendix A.

least 80 percent of its required raw cotton. Production of cotton cloth in 1963 dropped 16 percent, 17/ suggesting a possible reduction in imports of raw cotton as well as reflecting the poor domestic cotton crop. Per capita production of cotton cloth declined from about 5.7 meters in 1962 to less than 4.7 meters in 1963. This drop in per capita production is consistent with evidence suggesting that the cotton cloth ration was reduced by at least 1 meter in 1963.

Although North Vietnam claims to have exceeded its plan for heavy industry during the first 6 months of 1964 by about 3 percent (including goals for production of electricity, apatite, and coal), the regime has indicated that production of such important commodities as cement, salt, lumber, and mechanical products was below expectations. In addition, it is believed that light industrial production also was below the level anticipated by the regime. Thus even the revised targets for many products in the First Five Year Plan may still be too high.

B. Poor Quality of Industrial Products

Although North Vietnam has developed new industries and expanded old ones with the help of other Communist countries, the quality of goods manufactured in North Vietnam remains low. The frequency of articles in the press in 1963 criticizing the low quality of many manufactured goods and the high rate of rejection of products in many factories indicates that control over quality is a serious problem. Complaints have ranged all the way from criticism of rubber boots and raincoats that were not water-repellent to the rejection of 55 percent of the diesel engine blocks produced by the Tran Hung Dao Machine Tool Plant in the first 6 months of 1963 because they were damaged. 18/ These low manufacturing standards not only retard the attempts of the regime to raise the level of living but also have an adverse effect on the rate of industrial development.

C. Transportation

The North Vietnamese claim to have exceeded their transportation plan for ton-kilometers in 1963 by about 6 percent, achieving a total of about 1.4 billion ton-kilometers (tkm) by both modern and primitive forms of transport. Of this total, nearly 1.1 billion tkm are estimated to have been performed by modern means. About 75 percent of the 1.1 billion tkm was accounted for by railroads, 9 percent by inland water transport, and 8 percent each by highway and coastal-water transport. Although the plan was exceeded, according to the regime, transportation users complained that the system failed to meet their demands in 1963 probably because of poor planning at the national and local levels, the use of large numbers of unskilled personnel, the lack of equipment and storage facilities, and the uncoordinated and

inefficient operation of transport organizations.* The regime has announced that the transportation plan for the first 6 months of 1964 was fulfilled, with the railroad sector surpassing its goal for ton-kilometers by 5.5 percent. 20/

IV. Construction

The level of construction activity in North Vietnam is estimated to have fallen by about 10 percent in 1963. There was, however, no apparent letup in the work at such major projects as the Thai Nguyen Iron and Steel Plant, the Uong Bi Thermal Electric Powerplant, the Phu Lang Thuong Nitrogen Fertilizer Plant, and the Thac Ba Hydroelectric Powerplant. Although the level of construction activity at these major projects has been increased in 1964, North Vietnamese statements suggest that construction plans for the first 6 months of this year were not achieved. In addition to the construction of industrial plants, reconstruction of the 156-kilometer railroad line south from Ham Rong to Vinh continued to receive priority in 1963, and the line was finally restored to operation in May 1964. Because it is the only through railroad line to the south, it provides the regime with an important new logistic capability. The rebuilding of the rail line below Vinh also has been started. Recent information, however, indicates that work on this line since the beginning of the rainy season either has slowed down considerably or has been suspended.

The construction industry in North Vietnam is plagued by the lack of trained engineers and other technical personnel and by the poor quality of construction materials. The lack of trained engineers has meant that specialists from other Communist countries have had to design and supervise the construction of all major plants and transportation facilities in North Vietnam. In spite of this outside help, however, poor management in the construction of many projects has resulted in the failure to maintain planned construction schedules. One of the best examples of poor planning is the Thai Nguyen Iron and Steel Plant, which is being built with Chinese Communist aid. Both the North Vietnamese and the Chinese Communists underestimated the length of time that it would take to prepare the site and to construct the necessary auxiliary facilities. The plant originally was scheduled to be producing 100,000 tons of iron and steel annually by the end of 1960, but the first blast furnace was not put into operation until December 1963. Although the mill depends in large measure on coking coal for its operation, known reserves of coking coal in North Vietnam are quite small and of questionable quality. As a result, the regime will be forced to import large quantities of coking coal, probably from Communist China.

Poor quality of construction materials also has been a serious problem. Complaints about cement of uneven quality, of bricks inadequately

25X1

baked, of green lumber, and of damaged finishing materials (such as valves, locks, and hinges) are common. For example, in the Lam Thao Superphosphate Plant a number of pipes reportedly had rusted out and had to be repaired only a year after completion of the project. The regime has even admitted that in some cases the poor quality of construction has made it necessary to tear down projects already underway and to rebuild them completely.

V. Foreign Economic Relations

A. Foreign Trade

In 1963 the foreign trade of North Vietnam amounted to US \$249 million, an increase of only 4.3 percent above that of 1962.* Exports increased by 3.7 percent to US \$93 million, and imports rose by 4.7 percent to US \$156 million 21/ compared with planned increases of 19 percent and 12 percent, respectively. Because of the poor harvest, exports of unprocessed agricultural products grew by only 15 percent 22/ instead of 63 percent as anticipated, and exports of industrial products dependent on agriculture for their raw materials fell short of plan. Having failed to meet export goals, the North Vietnamese were forced to cut back their imports of nonagricultural commodities. Imports of food, which generally are small, increased in the latter part of 1963 and early in 1964. During the first 6 months of 1964, exports again fell behind plan.

More than 85 percent of North Vietnam's foreign trade in 1963, (about US \$215 million) was estimated to have been with other Communist countries. Communist China and the USSR together account for approximately two-thirds of the country's total trade. Trade with the Free World occupied less than 15 percent of the total in 1963 (estimated to be about US \$34 million). Japan is still the largest single trading partner of North Vietnam in the Free World, although its share in North Vietnamese - Free World trade declined from a peak of about 63 percent in 1960 to about 36 percent in 1963. North Vietnam imports mainly manufactured goods and chemicals from the Free World and exports mainly coal.

B. Economic Aid

Economic assistance extended to North Vietnam from 1955 through 1963 was equivalent to more than US \$956 million.** About 39 percent of all economic assistance (approximately US \$372 million) was in the form of grants, with Communist China providing about 60 percent and the

* For data on the foreign trade of North Vietnam, see Table 4, Appendix A.

** For data on economic assistance to North Vietnam by other Communist countries, see Table 5, Appendix A. Military aid received by North Vietnam is not included.

USSR about 28 percent of the total.* Of the total credits extended to North Vietnam (US \$584 million), most came from Communist China and the USSR, which together supplied about 85 percent. Marked rivalry between these two countries in planning and administering their aid programs has not been clearly apparent, although such rivalry almost certainly exists in some degree. The flaring up of the Sino-Soviet dispute in 1963-64 and the siding of North Vietnam with Communist China are factors that presumably will affect aid to and trade with North Vietnam, but so far the magnitude of the effects is not clear. Communist countries in Eastern Europe also have given financial support to North Vietnam amounting to more than US \$130 million. It is estimated that North Vietnam has used about US \$33⁴ million of the extensions from Communist China, about US \$32⁴ million from the USSR, and about US \$106 million from the Communist countries in Eastern Europe.

At present, North Vietnam constitutes only a slight drain on the economic resources of the other Communist countries, as shown by the excess of imports above exports. As a result of the program of economic development that Communist countries have undertaken in North Vietnam, however, the country eventually will become largely self-supporting. Aside from mutual gains from trade, North Vietnam makes no economic contribution to other Communist countries, and it is likely that the North Vietnamese economy per se never will be important to the economic support of other Communist countries. From a broader point of view, North Vietnam is strategically located with respect to Southeast Asia and is providing a military bridgehead for Communist penetration into that area. The economy of North Vietnam is capable of supporting the present level of guerrilla activity in South Vietnam -- the more so because this activity is largely self-sustaining.

* About 90 percent of all grants to North Vietnam during 1955-63 were extended in 1955.

APPENDIX A

STATISTICAL TABLES

S-E-C-R-E-T

Table 1

North Vietnam: Output of Major Agricultural Products a/
1957-62 and 1965 Plan

| Product | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1965 Plan |
|---------------------|---------|---------|---------|---------|---------|---------|-----------|
| Rice | 3,948.0 | 4,576.9 | 5,192.6 | 4,212.0 | 4,659.0 | 4,542.0 | 5,000.0 |
| Corn | 197.0 | 192.0 | 245.6 | 214.5 | 274.5 | 275.8 | N.A. |
| Sweet potatoes b/ | 135.1 | 106.0 | 179.7 | 122.5 | 246.2 | 215.0 | N.A. |
| Manioc b/ | 46.6 | 38.6 | 65.1 | 83.6 | 182.3 | 220.7 | N.A. |
| Sugar cane | 384.5 | 495.1 | 445.5 | 451.7 | 519.4 | 747.5 | 870.0 |
| Peanuts (unshelled) | 23.7 | 32.1 | 34.5 | 26.0 | 30.4 | 38.3 | 50.0 |
| Soybeans | 7.0 | 11.1 | 11.8 | 14.9 | N.A. | N.A. | N.A. |
| Rattan | 9.4 | 12.4 | 14.8 | 14.9 | N.A. | N.A. | N.A. |
| Jute | 5.7 | 6.3 | 7.8 | 12.4 | 8.8 | 13.8 | 31.0 |
| Cotton (unginned) | 5.7 | 5.6 | 6.2 | 4.6 | 6.2 | 5.8 | 9.0 |
| Tobacco (leaf) | 1.7 | 0.8 | 0.8 | 1.7 | 2.8 | 4.0 | 6.0 |
| Tea | 2.6 | 2.7 | 2.4 | 2.6 | N.A. | 2.7 | 3.6 |
| Sesame | 2.0 | 2.0 | 2.5 | 3.3 | 2.9 | 3.1 | N.A. |
| Castor beans | 0.8 | 1.2 | 2.1 | 2.1 | 2.9 | N.A. | N.A. |

a. Official North Vietnamese data.

b. On a grain-equivalent basis of 4 to 1.

Table 2

North Vietnam: Per Capita Production of Food Crops
1957-63 and 1965 Plan

| <u>Year</u> | <u>Total Production of Food Crops a/ (Million Metric Tons)</u> | <u>Population at the End of the Year b/ (Million Persons)</u> | <u>Per Capita Production of Food Crops (Kilograms)</u> |
|--------------|--|---|--|
| 1957 | 4.3 | 15.3 | 281 |
| 1958 | 4.9 | 15.6 | 314 |
| 1959 | 5.7 | 15.9 | 358 |
| 1960 | 4.9 | 16.2 | 302 |
| 1961 | 5.5 | 16.4 | 335 |
| 1962 | 5.7 | 16.8 | 339 |
| 1963 | 4.9 | 17.1 | 287 |
| 1965 Plan | 7.1 | 17.9 | 397 |

a. Official North Vietnamese data.

b. Estimates of the North Vietnamese population are derived from the census figure of 15,916,955 as of 1 March 1960.

S-E-C-R-E-T

Table 3

North Vietnam: Output of Selected Industrial Products a/
1957-63 and 1965 Plan

| Product | Unit | 1965 Plan | | | | | | | | |
|----------------|------------------------|-----------|---------|---------|---------|---------|---------|---------|----------|---------|
| | | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 b/ | Original | Revised |
| Electric power | Million kilowatt-hours | 121.3 | 160.2 | 209.5 | 256.1 | 296.6 | 367.6 | 445.0 | 1,000 | 660 |
| Coal | Thousand metric tons | 1,084.8 | 1,548.9 | 2,201.7 | 2,595.0 | 2,829.4 | 3,468.0 | 3,347.0 | 4,210 | 5,000 |
| Cement | Thousand metric tons | 165.1 | 301.8 | 381.2 | 408.0 | 457.5 | 462.0 | 495.0 | 830 | 710 |
| Bricks | Million units | 409.2 | 431.6 | 546.1 | 942.6 | 483.3 | 774.9 | N.A. | N.A. | N.A. |
| Lumber | Thousand cubic meters | 86.9 | 134.8 | 245.1 | 281.0 | 249.4 | 225.0 | N.A. | N.A. | N.A. |
| Timber | Thousand cubic meters | 439.2 | 458.5 | 769.8 | 753.2 | 828.8 | 885.0 | N.A. | N.A. | 1,310 |
| Apatite (ore) | Thousand metric tons | 65.9 | 135.6 | 260.6 | 490.0 | 563.6 | 678.0 | 925.0 | 2,300 | 1,400 |
| Phosphate | Thousand metric tons | 22.5 | 32.1 | 50.8 | 51.0 | 58.1 | 34.0 | N.A. | N.A. | 224 |
| Chromite (ore) | Thousand metric tons | 3.7 | 5.7 | 6.6 | 19.4 | 29.5 | 32.6 | 30.3 | 100 | 32 |
| Paper | Thousand metric tons | 2.4 | 2.9 | 4.2 | 4.5 | 5.9 | N.A. | N.A. | 49.2 | 35.5 |
| Cotton cloth | Million meters | 68.1 | 66.3 | 78.4 | 76.0 | 87.0 | 95.0 | 79.6 | 130 | N.A. |
| Cotton yarn | Thousand metric tons | 9.4 | 8.8 | 9.8 | 10.4 | 11.5 | 12.1 | N.A. | N.A. | N.A. |
| Cigarettes | Million packages | 14.5 | 30.4 | 65.9 | 73.4 | 81.6 | 94.6 | 103.9 | N.A. | 160 |
| Bicycles | Thousands units | 0.3 | 6.0 | 12.5 | 27.0 | 25.5 | 39.2 | N.A. | N.A. | 100 |
| Sugar | Thousand metric tons | 4.3 | 5.5 | 11.2 | 10.1 | 13.0 | 18.8 | N.A. | N.A. | N.A. |
| Salt | Thousand metric tons | 109.8 | 125.0 | 130.0 | 117.1 | 106.1 | 144.0 | 126.7 | N.A. | 250 |

a. Official North Vietnamese data.

b. Preliminary.

Table 4

North Vietnam: Foreign Trade a/
1957-63 and 1965 Plan

| <u>Year</u> | <u>Total Trade</u> | <u>Imports</u> | <u>Exports</u> | <u>Million US \$</u> |
|-------------|--------------------|----------------|----------------|----------------------|
| 1957 | 140.5 | 99.5 | 41.0 | |
| 1958 | 114.5 | 63.3 | 51.2 | |
| 1959 | 171.8 | 104.5 | 67.3 | |
| 1960 | 207.8 | 127.9 | 79.9 | |
| 1961 | 224.2 | 143.7 | 80.5 | |
| 1962 | 238.8 | 149.4 | 89.4 | |
| 1963 | 249.1 | 156.4 | 92.7 | |
| 1965 Plan | 305 | 166 | 139 | |

a. Derived from official North Vietnamese data. Data on total imports are believed to include all goods imported into the country except military deliveries on a grant basis.

Table 5

North Vietnam: Economic Assistance Extended by Communist Countries a/
Cumulative Totals, 1955-63

| <u>Country</u> | <u>Million US \$</u> | | | <u>Percent of Total</u> |
|-----------------|----------------------|-----------------|-----------------|-------------------------|
| | <u>Grants</u> | <u>Credits</u> | <u>Total</u> | |
| Communist China | 225.0 | 232.0 | 457.0 | 47.8 |
| USSR | 105.0 | 263.9 | 368.9 <u>b/</u> | 38.6 |
| Rumania | 4.8 | 37.5 | | |
| Poland | 7.5 | 14.5 | 97.0 <u>c/</u> | 10.1 |
| Czechoslovakia | 9.0 | 7.5 | | |
| East Germany | 15.0 | 0 | 15.0 | 1.6 |
| Hungary | 2.0 | 10.0 | 12.0 | 1.2 |
| Bulgaria | 4.0 | 2.5 | 6.5 | 0.7 |
| Total | 372.3 | 584.1 <u>c/</u> | 956.4 | 100.0 |

a. Based on official announcements of aid agreements. Albania and North Korea also have provided aid to North Vietnam, but the amounts are insignificant.

b. In September 1962 the USSR signed an agreement for further Soviet economic assistance to North Vietnam in the development of agricultural resources. No details concerning the amount of Soviet assistance, however, have been released.

c. Including credits extended by Rumania, Poland, and Czechoslovakia in 1955 totaling \$16.2 million that cannot be broken down by country.

25X1

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7

~~SECRET~~

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7

~~SECRET~~

Approved For Release 2006/05/24 : CIA-RDP78T02095R000800070017-7